

March 1, 2011

The Honorable Dwayne Umbarger, Chairperson
Senate Committee on Transportation
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Umbarger:

SUBJECT: Fiscal Note for SB 218 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 218 is respectfully submitted to your committee.

Currently, if the Kansas Highway Patrol (KHP) or a new vehicle dealer performs a vehicle inspection, the \$10 per hour fee is deposited in the KHP Vehicle Identification Number (VIN) Fee Fund. If a KHP designee performs the inspection, \$9 per hour is retained by the designee and KHP retains \$1 per hour. SB 218 would increase the VIN inspection fee from \$10 per hour to \$15 per hour beginning on July 1, 2011. Starting on July 1, 2012, the fee would be increased to \$20 per hour, or part of an hour, with a minimum charge of \$20. The bill would also change the amount KHP retains from \$1 to 10.0 percent of each inspection charge generated by a designee, with the balance of the charge retained by the designee. The bill would also allow new vehicle dealers to retain the same fee as current KHP designees. SB 218 would also mandate that if the KHP designee is a city or county law enforcement agency, then the balance would be paid to that law enforcement agency that conducted the inspection.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	\$542,276
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

KHP indicates that there are 36.00 FTE positions for the VIN Inspection Program in FY 2012; however, VIN fees currently received are sufficient to fund salary and wage expenditures for only 27 of those positions, with nine trooper positions funded from other operating funds. KHP states that the passage of SB 218 would allow the full cost of the VIN Inspection Program to be paid from VIN fees received. The agency estimates the increase in fees would bring additional revenue of \$542,276 in FY 2012 and \$705,875 in FY 2013. The Division of the

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Budget notes the Highway Patrol estimated a much higher level of additional revenue in FY 2012 for similar legislation, 2011 HB 2093, but this estimate was incorrect. Local law enforcement agencies conduct VIN inspections for KHP. Passage of SB 218 would result in projected increases of \$281,930 in FY 2012 for local governments. Any fiscal effect associated with SB 218 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kim Torrey, KHP
Larry Baer, League of KS Municipalities